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**UPDATE**

## Stumbo: backing out of tobacco settlement would be a breach

By Gregory A. Hall  
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The Courier-Journal

Kentucky Attorney General Greg Stumbo released an opinion Friday that Gov. Ernie Fletcher's proposed \$4 per carton fee on cigarettes could breach the 1998 Master Settlement Agreement with tobacco companies.

Stumbo suggests that Kentucky file a lawsuit asking a judge to determine whether Fletcher's proposed action is permissible under the 46-state national settlement that includes Kentucky.

Fletcher hopes the \$4-per-carton manufacturer's fee would net Kentucky \$150 million a year beyond what the state currently receives under the national tobacco settlement.

In the letter to legislators, Stumbo said Kentucky is legally required to support the agreement and that Fletcher's plan could be viewed as a breach.

That likely would lead to lawsuits from tobacco companies and jeopardize payments under the agreement of about \$105 million a year, the letter, signed by Assistant Attorney General Michael Plumley, said.

Fletcher's plan also could jeopardize restrictions on marketing agreed to by the tobacco companies at the time of the settlement, Stumbo's letter said.

Fletcher's chief of staff Stan Cave has said he does not believe enacting the per-carton fee would be a breach. Although he concedes a lawsuit would be likely from the tobacco companies, he has said he believes Kentucky could prevail.

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